

## SENATE BILL No. 108

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-8-10-2.2; IC 27-8-10-2.3.

**Synopsis:** ICHIA tax credits. Provides for the assignment of unused tax credits by a member of the comprehensive health insurance association (ICHIA) for use by a business entity during the same taxable year.

**Effective:** July 1, 2004.

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January 6, 2004, read first time and referred to Committee on Finance.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## SENATE BILL No. 108

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 27-8-10-2.2 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2004]: **Sec. 2.2. (a) This section applies to:**

- 4 (1) **taxable years beginning after December 31, 2004; and**  
5 (2) **a tax credit that accrues after December 31, 2004.**

6 **(b) A member that:**

- 7 (1) **has paid an assessment levied under this chapter during a**  
8 **calendar year; and**  
9 (2) **does not, in the member's taxable year during which the**  
10 **assessment was paid, have tax liability against which a credit**  
11 **may be applied under section 2.1(n) of this chapter;**

12 **may assign the member's unused tax credit to a business entity that**  
13 **pays premium taxes, adjusted gross income taxes, or similar taxes**  
14 **upon revenues or income of the business entity that may be**  
15 **imposed by the state.**

16 **(c) The amount of the credit that may be assigned by a member**  
17 **under subsection (b) is equal to:**

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(1) the tax credit available to the member for the calendar year under section 2.1(n) of this chapter; minus

(2) the amount of credit taken against taxes by the member for the calendar year under section 2.1(n) of this chapter.

(d) Subject to subsection (c), a business entity that is assigned a tax credit under this section is entitled to claim the tax credit against the business entity's tax liability for the taxable year during which the tax credit, if not assigned, would have been available to the assigning member.

SECTION 2. IC 27-8-10-2.3, AS ADDED BY P.L.167-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2.3. A member shall, not later than October 31 of each year, certify an independently audited report to the:

(1) association;

(2) legislative council; and

(3) department of insurance;

of the amount of tax credits taken against assessments by the member under ~~section~~ **sections** 2.1(n)(1) and 2.2 of this chapter during the previous calendar year.

SECTION 3. [EFFECTIVE JULY 1, 2004] (a) **This SECTION applies to a tax credit that accrues under IC 27-8-10-2.1(n) before January 1, 2005.**

(b) As used in this SECTION, "member" means an insurer, a health maintenance organization, or another entity that is a member of the Indiana comprehensive health insurance association under IC 27-8-10-2.1(a).

(c) A member that:

(1) pays an assessment levied under IC 27-8-10 during a calendar year; and

(2) does not, in the member's calendar year during which the assessment was paid or in succeeding calendar years ending before January 1, 2005, have tax liability against which a credit may be applied under IC 27-8-10-2.1(n);

may assign the member's unused tax credit to a business entity that pays premium taxes, adjusted gross income taxes, or similar taxes upon revenues or income of the business entity that may be imposed by the state.

(d) The maximum amount of a tax credit accruing under IC 27-8-10-2.1(n) before January 1, 2005, that a member may assign in a calendar year after December 31, 2004, under this SECTION is equal to:

(1) the remainder of:

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- 1           (A) the amount of the credit accruing to the member;  
2           minus  
3           (B) the amount of the credit applied by the member against  
4           taxes; multiplied by  
5           (2) twenty percent (20%).  
6           (e) Subject to subsection (d), a business entity to which a tax  
7           credit is assigned under this SECTION is entitled to apply the tax  
8           credit against the business entity's tax liability for the calendar  
9           year during which the tax credit is assigned under subsection (d).  
10          (f) This SECTION expires December 31, 2009.

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